

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

Note No: I General Information:

Kapston Facilities Management Limited (“the Company”) (CIN: L15400TG2009PLC062658) is engaged in the business of rendering security and related services, training and facility management, Housekeeping and cleaning services. The company has registered office at Hyderabad and provides services major cities all over India. The Equity Shares of the company are listed on NSE Emerge an SME Platform of National Stock Exchange of India Limited.

On May 27, 2020 the equity shares of the Company were migrated to Main Board of National Stock exchange of India Limited.

Note 2. Summary of Significant Accounting Policies

2.1 Basis of Accounting;

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards issued by the Institute of Chartered Accountants of India, the provisions section 133 of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to existing accounting standard requires the change in the accounting policy hitherto in use. Management evaluates all relevant issues or revised accounting standards on an ongoing basis.

Accounting Policies not specifically referred to otherwise are consistent and in consonance with the Generally Accepted Accounting Principles that are followed by the company.

2.2 Use of Estimates;

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon

management’s best knowledge of current events and actions, actual results could differ from these estimates.

2.3 Contingencies and events occurring after the balance sheet date (AS 4);

All contingencies and events occurring after the balance sheet date which have a material effect on the financial position of the company are considered for preparing the financial statements.

2.4 Fixed Assets, Depreciation and Intangible Assets (AS 10, 6 & 26);

Fixed Assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets are also included to the extent they related to the period till such assets are ready to be use..

Depreciation on fixed assets is being provided on straight line method at the rates in the manner specified in Schedule II of the Companies Act, 2013. Depreciation on assets sold during the year is being provided at their respective rates up to the date on which such assets are sold.

Depreciation /Amortization of Intangibles is in compliance with AS 26 to the extent applicable.

2.5 Capital Work-In-Progress (AS 10)

Capital Work-In-Progress is carried at cost, comprising direct cost and related Incidental expenses.

2.6. Government Grants (AS 12)

- (i) The grants or subsidies received towards promoter’s contributions are treated as capital receipts and credited to capital reserves.
- (ii) The grants or subsidies received relating to specific fixed assets are shown as deduction from the cost of the respective assets concerned in arriving at its book value.
- (iii) The grant in the form of revenue subsidy is treated as revenue receipt and credited to “Other Income” in statement of Profit and Loss.

2.7 Borrowing Cost (AS 16);

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time as the asset is ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. The same is in compliance with AS-16 to the extent applicable.

2.8 Investments (AS 13);

- (i) Investments are capitalized at actual cost including costs incidental to acquisition.
- (ii) Investments are classified as long-term or current at the time of making such investments.
- (iii) Long-term investments are individually valued at cost, less provision for diminution that is other than temporary. Investments held in Subsidiary Companies are stated at cost.
- (iv) Current investments are valued at the lower of cost and market value.

2.9 Inventories (AS 2);

- (i) Inventories consists of consumables, tools and others are valued at cost or Net Realizable Value.
- (ii) Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition

2.10 Revenue Recognition (AS 9);

i) Sale of Services:

Revenue from rendering of Services is recognized when service is performed, in case of proportionate completion of services revenue is recognized on proportionate basis.

ii) Other revenue:

Interest: Revenue is recognized on the time proportion basis after taking into account the amount outstanding and the rate applicable.

2.11 Retirement and other employee benefits (AS 15);

Defined Contribution Plan: The company makes defined contribution to Provident Fund, which are recognized in the Profit and Loss Account on accrual basis.

2.12 Provision for Current tax, and Deferred tax (AS 22);

Provision for current tax is made based on estimated taxable income for the current accounting period in accordance with the provisions of Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

2.13 Cash Flow Statement (AS 3);

The Cash Flow Statement is prepared by indirect method set in Accounting Standard 3 on cash flow statement and presents the cash flows by Operating, Investing and Finance activities of the company. Cash and cash equivalents presented in cash flow consists of cash in hand, cheques in hand, bank balances.

2.14 Provisions, Contingent Liabilities and Contingent Assets (AS 29);

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation because of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Contingent Liabilities, Commitments and Contingent Assets.

i) Bank Guarantees

S NO	Name of the Bank	Amount of Guarantee as on 31.03.2020	Remarks
1	HDFC Bank Limited	3,17,93,838	

2.15 Impairment of Assets (AS 28);

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to Profit & Loss Account in the year in which the asset is impaired and the impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

2.16 Leases (AS 19);

Operating lease payments and finance lease payments are recognized as expenses in the profit and loss account as per the terms of the agreements which is representative of the time pattern of the users' benefit.

2.17 Extra-ordinary and Exceptional items & Changes in Policies (AS 5);

All the extra ordinary and prior period items of Income and expenses are separately disclosed in the statement of Profit and Loss account in the manner such that its impact on the current profit or loss can be perceived. If there has been any change in the Company's accounting policies or accounting estimate to have material impact on the current year profit/loss or that of later periods the same would be disclosed as part of notes to accounts. All the items of Income and Expenses from ordinary activities with such size and nature such that they become relevant to explain the performance of the company have been disclosed separately.

2.18 Earnings Per Share (AS 20);

The Basic earnings per share is calculated considering the weighted average number of equity shares outstanding during the year.

The Diluted earnings per share is calculated considering the effects of potential equity shares on net profits after tax for the year and weighted average number of equity shares outstanding during the year.

PARTICULARS	2019-20	2018-19
Profit/(Loss) after tax (net profit attributable to Equity Shareholders).	10,19,76,057	8,55,73,507
Equity shares outstanding during the year.	1,01,44,061	86,94,909
Earnings per share (Basic & Diluted)	10.05	8.44

EXPLANATORY NOTES

1. Managerial Remuneration

The Company carries out periodic reviews of comparable Companies and through commissioned survey ascertains the remuneration levels prevailing in these Companies. The Company's Remuneration Policy is designed to ensure that the remuneration applicable to Managers in the Company is comparable with Companies operating in similar industries in India.

Managerial remuneration was paid as set out below:

Name of the Person	Designation	2019-20	2018-19
Mr. Srikanth Kodali	Managing Director	1,20,00,000	96,00,000
Mrs. Kanti Kiran Doddapaneni	Non-Executive Director (Promoter Group) (Whole-time Director Till 30.05.2018)	Nil	2,50,000
Dr. Chereddi.Ramachandra.Naidu	Executive Chairman	15,00,000	8,75,000
TOTAL		1,35,00,000	1,07,25,000

2. Auditor Remuneration

PARTICULARS	2019-20	2018-19
Statutory Audit	5,00,000	5,00,000
TOTAL	5,00,000	5,00,000

3. Disclosures under the Micro, Small and Medium Enterprises Act, 2006

The management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2020 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. In view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the aforesaid Act is not expected to be material.

Particulars	As at March 31, 2020
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.	NIL
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	NIL
The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	NIL

4. Disclosure under AS – 18: Related Party Disclosures

List of Related Parties and their Relationships:

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No.	Name of the Person	Designation
1	Mr. Srikanth Kodali	Managing Director
2	Dr. Chereddi Ramachandra Naidu	Executive Chairman
3	Mr.Naveen Nandigam	Independent Director
4	Mrs.Kanti Kiran Doddapaneni	Non- Executive Director
5	Mrs. Vanitha Nagulavari	Independent Director
6	Mr. Nageswara Rao Koripalli	Additional Director (Independent Director)
7	Mr.Brendon Thomas Pereira	Chief Financial Officer
8	Ms.Amreen Gulnaaz	Company Secretary

Transactions / Balances with Related Parties

NATURE OF TRANSACTION	Mr. SRIKANTH KODALI	Mr. KANTI KIRAN DODDAPANENI	DR. CHEREDDI RAMACHANDRA NAIDU
1. Managerial Remuneration	1,20,00,000	Nil	15,00,000
2. Loans accepted	10,77,00,000	Nil	1,10,00,000
3. Loans repaid	12,27,00,000	Nil	1,10,00,000

Remuneration Paid to Other Key Managerial Personnel

MR. BRENDON THOMAS PEREIRA	Ms. AMREEN GULNAAZ
12,00,000	5,40,000

Sitting Fees Paid to Independent / Non Executing director

MR. NAVEEN NANDIGAM	MRS. VANITHA NAGULAVARI
1,50,000	2,00,000

Closing Balance with Related Parties (Debit / (Credit))

Name of the Party	Amount in Rs (As at 31 st March 2020)
Mr. Srikanth Kodali	Nil

7. Earnings/expenditure in foreign currency:

Expenditure in Foreign currency:

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Travel Expenses	Nil	Nil
Professional Fees	Nil	Nil
Other expenses	Nil	Nil
Total	Nil	Nil

Earnings in Foreign currency

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
FOB Value of Exports	Nil	Nil
Dividend	Nil	Nil
Total	Nil	Nil

8. Disclosure under AS – 22: Accounting for Taxes on Income

Major components of Deferred Tax, arising on account of Timing Differences

Particulars	As at 31 st March, 2020 (in ₹)
Deferred Tax Assets on 01.04.2019	1,98,44,433
Depreciation & Amortization Assets	(22,10,628)
Deductions in respect of certain benefits under the Income Tax Act, 1961	1,63,56,309
Previous year expenses now allowed	-
Net Deferred Tax Assets as at 31.03.2020	3,39,90,113

In accordance with "Accounting Standard 22", the Company has recognized in its Profit & Loss Account a sum of ₹ (1,41,45,681)/- as Deferred Tax.

9. Comparatives, Disclosures and rounding off of numbers:

The previous year figures have been regrouped, reworked, rearranged and reclassified wherever necessary. Numbers/ Balances have been rounded off hence, there may be a difference to the extent of ₹ 2/- Between the numbers stated in schedules and each schedule of the financial statements.

NOTES ON ACCOUNTS

Note 3 - Share Capital

(Amount in ₹)

Particulars	31-03-20	31-03-19
Authorised Share Capital		
1,15,00,000 Equity Shares of ₹ 10/- each (Previous year 90,00,000 Equity Shares of ₹ 10/- each)	115,000,000	90,000,000
Issued Subscribed & fully Paidup Capital		
1,01,44,061 Equity Shares of ₹ 10/- each of which 89,23,327 shares are issued as bonus shares (Previous year 86,94,909 Equity Shares of ₹ 10/- each of which 74,74,175 shares are issued as bonus shares)	101,440,610	86,949,090
Total	101,440,610	86,949,090

3.1 Rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹ 10 /- each. Each holder of equity share is having equal rights with reference to voting and dividend in proportionate to their share holding.

The Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period is set out below

Particulars	As at 31.03.2020		As at 31.03.2019	
	No of shares	Amount(₹)	No of shares	Amount(₹)
Shares outstanding :				
At the beginning of the year	8,694,909	86,949,090	8,694,909	86,949,090
Issued during the year				
For Cash		-		-
Other than Cash(Bonus Shares)	1,449,152	14,491,520		-
Shares outstanding at the end of the year	10,144,061	101,440,610	8,694,909	86,949,090

The details of shareholders holding more than 5% of equity shares along with no of Equity Shares held is set below

Name of the Share holder	As at 31.03.2020		As at 31.03.2019	
	No.of shares held	(%) of holding	No.of shares held	(%) of holding
Srikanth Kodali	7,203,693	71.01%	5,817,839	66.91%
Chereddi Ramachandra Naidu	641,200	6.32%	518,400	5.96%

Note 4 - Reserves and Surplus

(Amount in ₹)

Balance in Statement of Profit and Loss	As at 31.03.2020	As at 31.03.2019
Profit & Loss Account		
Opening Balance	170,436,502	84,862,995
Add: Current Year Profit	101,976,057	85,573,507
	-	-
	272,412,559	170,436,502
Securities Premium		
Opening Balance	90,072,022	90,072,022
Add: Addition during the Year		-
Less: Bonus Shares issued during the Year	14,491,520	
Less: Share Issue Expenses	-	-
	75,580,502	90,072,022
Total	347,993,061	260,508,524

Note 5 - Long term borrowings

(Amount in ₹)

Particulars	As at 31.03.2020	As at 31.03.2019
a) Loans from Banks & Financial Institutions		
Secured*	42,243,184	56,214,304
Unsecured**	42,413,593	332,038
Total	84,656,777	56,546,342

* Secured loans includes, Vehicles loans which are secured by hypothecation of vehicles financed by respective banks and financial institutions. (For details refer Note No.23)

* Secured loans includes loans from NSDC by hypothecation of equity shares(For details Refer Note No. 23)

**The Company availed Unsecured Business Loans from banks and Non Banking Financial Institutions. (For details Refer Note No.23)

Note 6 - Short term borrowings

(Amount in ₹)

Particulars	As at 31.03.2020	As at 31.03.2019
a) Borrowings from Banks & Financial Institute		
Secured*	393,181,098	170,044,443
b) Loans and Advances from related parties		
Unsecured **	-	15,000,000
Total	393,181,098	185,044,443

*Short term secured loans are Working Capital loans which are secured by hypothecation of Stocks & Receivables (present & future) of the Company, payable on demand.

**The Company availed Unsecured Business Loans from Non Banking Financial Institutions. (For details Refer Note No.23)

Note 7 - Trade Payables

(Amount in ₹)

Particulars	As at 31.03.2020	As at 31.03.2019
Trade payables		
Creditors for Material Suppliers	28,645,080	10,071,763
Creditors for Services	2,614,573	4,919,150
Creditors for Capital Goods	5,233,446	-
Creditors for Training Projects	2,543,627	3,541,103
Total	39,036,726	18,532,016

Note 8 - Other Current liabilities

(Amount in ₹)

Particulars	As at 31.03.2020	As at 31.03.2019
Statutory Dues Payable	61,477,160	63,564,934
Rent Payable	129,071	-
Salaries payable	10,019,197	7,039,945
Wages payable	72,239,823	58,162,856
Expenses Payable	1,960,419	1,908,162
Current Maturities of Long term Borrowings	13,402,010	13,307,495
Advance Received for Traing Projects	12,508,656	3,881,615
Expenses Payable of Projects	735,878	1,073,904
Total	172,472,214	148,938,911

Note 9 - Short term Provisions

(Amount in ₹)

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for tax (net)	20,110,685	4,014,684
Provision for Gratuity	19,308,512	5,771,219
Total	39,419,197	9,785,903

Note 10 - Note Of Fixed Assets & Depreciation Statement For The Year Ended 31.03.2020

(Amount in ₹)

Particulars	Gross Block			Depreciation			Net Block		
	Original cost	Additions (FY 2019-20)	Deletions	Original Cost As on 31.03.2020	Dep upto 31.03.2019	Current Year Dep (FY 2019-20)	Dep on sale of Assets	WDV As on 31.03.2019	WDV As on 31.03.2020
Mobiles	2,059,460	888,650		2,948,110	1,026,594	629,833	1,656,427	1,032,866	1,291,683
Office Equipment	9,755,299	12,581,881		22,337,180	5,670,027	4,615,337	10,285,364	4,085,272	12,051,816
Printers	192,440	456,127		648,567	140,916	100,025	240,941	51,524	407,626
Computers	5,383,004	4,828,871		10,211,875	4,386,256	2,614,719	7,000,975	996,748	3,210,900
Furnitures & Fittings	3,197,245	21,841,775		25,039,020	2,299,740	1,653,462	3,953,202	897,505	21,085,818
Inverter	735,958	85,500		821,458	662,938	43,918	706,856	73,020	114,602
Vehicles	61,321,146	1,455,775	1,217,251	61,559,670	35,934,177	8,266,727	43,254,357	25,386,969	18,305,313
Plant & Machinery	167,644	28,571		196,215	103,457	30,210	133,667	64,187	62,548
Live Stock	75,674	-		75,674	39,889	11,177	51,066	35,785	24,608
Land	107,698,219	3,799,994		111,498,213	-	-	-	107,698,219	111,498,213
Lease Hold Improvements	-	35,010,579		35,010,579	-	2,474,720	2,474,720	-	32,535,859
Total	190,586,089	80,977,723	1,217,251	270,346,561	50,263,994	20,440,128	946,547	140,322,095	200,588,986

Note 11 Deferred Tax Asset

(Amount in ₹)

Particulars	As at 31.03.2020	As at 31.03.2019
Opening Balance	19,844,433	6,880,287
Add/(Less): Deferred Tax(Asset)/Liability	14,145,680	12,964,146
Total	33,990,113	19,844,433

Note 12 Trade Receivables

(Amount in ₹)

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, considered good		
Trade receivables outstanding for a period exceeding 6 months from the due date	-	1,773,380
Trade receivables o/s for a period not exceeding 6 months from the due date	643,178,182	413,549,155
Total	643,178,182	415,322,535

Note 13 Cash and Cash Equivalents

(Amount in ₹)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Cash in hand	733,014	626,297
(b) Balances with banks		
In Current Accounts	14,576,341	13,570,938
- Fixed Deposits	1,000,000	-
- Deposits against Bank Guarantees	7,867,158	7,098,544
Total	24,176,513	21,295,779

Note 14 Other Current Assets

(Amount in ₹)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Balances with government authorities		
(i) TDS receivable	56,529,307	10,029,567
(b) Deposits		
(i) Rental and Other Deposits	16,413,672	6,446,333
Prepaid Expenses	4,462,078	1,336,024
TDS Recoverable On Financial Charges	207,746	265,878
Taxes paid against Income Tax Appeal A Y 2014-15	-	14,414
Other Advances	141,583	496,897
Service Tax Paid Against Appeal	-	246,034
Receivables for Training Projects	91,458,052	73,283,628
Total	169,212,438	92,118,775

Note 15 Short Term Loans and Advances

(Amount in ₹)

Particulars	As at 31.03.2020	As at 31.03.2019
Staff Advances	74,208,432	55,130,572
Advance to Supplier	4,559,219	686,403
Total	78,767,651	55,816,975

Note: 16 Revenue from operations

(Amount in ₹)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Sale of services		
(a) House Keeping	949,974,035	601,721,597
(b) Security Service Charges	1,146,802,584	812,997,898
(c) Grants Received from Ministry of Rural Development and Government of India for DDU -GKY skill Projects	37,150,697	57,584,274
Total	2,133,927,316	1,472,303,769

Note: 17 Other Income

(Amount in ₹)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Interest Received	633,573	171,782
Interest on TDS Refund		-
Misc Income	95,343	25,938
Profit on Sale of Fixed Assets	107,818	269,812
Total	836,734	467,532

Note: 18 Changes in Inventory

(Amount in ₹)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Opening Stock	21,584,570	7,465,802
Purchases	51,273,096	39,697,269
Closing Stock	28,285,800	21,584,570
Cost of Materials consumed	44,571,866	25,578,501

Note: 19 Employee Benefits

(Amount in ₹)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Wages	1,540,268,218	1,037,833,626
Expenses for Ministry of Rural Development and Government of India for DDU -GKY skill Projects	37,150,697	57,584,274
Salaries	87,846,396	69,405,491
Directors Remuneration	13,500,000	10,725,000
Other Employee Benefits	174,311,758	82,796,482
Total	1,853,077,069	1,258,344,873

Note: 20 Finance cost

(Amount in ₹)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Interest on Vehicle loans	1,946,370	2,315,679
Interest on Business Loans	-	3,211,589
Interest on Bank O/D	28,334,139	17,576,584
Bank Charges	3,416,446	1,659,945
Interest on Term Loans	237,764	575,329
Bills Discounted charges	5,570,371	-
Total	39,505,090	25,339,126

Note: 21 Other Expenses

(Amount in ₹)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Advertisement Charges	904,150	853,538
Audit Fees	500,000	500,000
Internal Audit Fees	200,000	200,000
Business Promotion Expenses	4,770,623	1,946,548
Consultancy Charges	5,682,580	5,591,725
Conveyance	2,647,960	4,035,178
Electricity Charges	1,366,407	645,348
Donation	3,376,516	3,508,872
CSR Expenses	540,000	1,200,000
Bad Debts Writtenoff	3,263,792	-
Insurance	2,402,567	1,730,793
Rates and Taxes	9,998,486	4,968,956
Office Maintenance	4,257,894	3,145,155
Postage and Telegram	169,584	180,400
Printing and Stationery	2,986,783	2,158,438
Rent Paid	13,385,006	4,166,689
Internet Charges	489,130	411,894
Telephone Charges	2,269,353	1,586,928
Travelling Expenses	2,285,414	4,028,068
Computer Maintenance	248,309	174,777
Vehicle Maintenance	3,928,000	5,587,733
NSDC Expenditure	6,122,408	7,577,737
Kennels (Dog Training Exp)	1,448,558	1,240,408
Total	73,243,520	55,439,185

Note: 22 Obligations towards operating leases

The company has entered into operating lease arrangements for its premises at various locations.

(Amount in ₹)

Particulars	FY 2019-20
Future minimum lease payments	
not later than one year	14,092,500
later than one year and not later than five years	53,952,454
later than five years	-
The future minimum lease rental obligation under non-cancellable operating leases in respect of these assets is on account of lock-in period and notice period in some of the lease agreements entered by the company for operating of offices:	
On account of Lock-in Period	5 years /3 years
On account of Notice Period	0

Note :23

23.a Note: Working Capital Loan / Term Loan/ Vehicle Loans:

Working Capital Loan from HDFC Bank:

Rate of Interest:

Over Draft from HDFC Bank: Interest at the rate of 8.15%

Margin:

25% receivables not older than 90 days

Primary Security:

1. Hypothecation of stock of Raw Material, Consumables, Work in Progress, Finished Goods & Assignment of receivables. 2. Fixed Deposit Towards BG @ 25%

Collateral Security:

- a) Hypothecation of Villa No.120, House 15-31-IFF/120, In S.y No 1009 situated at Indu Fortune fields, Phase-XIII, KPHB Colony, Kukatpally, Hyderabad-500072, having Market value of ₹ 4.61 Crores, Standing in the name of Mr. Srikanth Kodali.
- a) Hypothecation of Land in S.Y.51, situated at Nagaram Revenue Village, Maheswaram Mandal, Rangareddy Dist. -500083

Terms of Repayment:

Working Capital Loans repayable on demand.

23.b Indusind Bank

Cash Credit from INDUSIND Bank Limited: Interest at the rate of Floating rate of CD-Six months -CC/DD+5.50%

Interest :

Interest @ 9.75%

Margin:

40% receivables not older than 90 days

Primary Security:

Hypothecation of Book Debts and Inventory.

Collateral Security:

- a) Residential Land and Building situated at Villa Bearing 231, Survey No:1009, Indu Fortune Fields, Kukatpally, Near Sujana forum Mall, Sft 3415 and having Market value of Rs 675.71 lakhs. In the name of Mr. Bollepalli Venu and Mrs. Manita Bollepalli
- a) Flat No: 11204, 12th Floor, Walnut Block, Indu Fortune Fields, Balanagar, Sft 1865 and having Market value of Rs 137.78 lakhs. In the name of Mr. Bollepalli Venu and Mrs. Manita Bollepalli

Personal Guarantee:

1. Mr. Srikanth Kodali 2. Doddapaneni Kanti Kiran 3. Venu Bollepalli 4. Bollepalli Manita

Terms of Repayment:

Working Capital Loans repayable on demand.

23.c SBI Global Factors Limited

SBI Global Factors Limited Bank: Interest at the rate of 11.75%

Margin:

10% of the Receivables

Primary Security:

Receivables

Personal Guarantee:

1. Mr. Srikanth Kodali
2. Doddapaneni Kanti Kiran

Terms of Repayment:

Working Capital Loans repayable on demand.

23.B Term Loan NSDC:

Moratorium & Repayment Schedule: Principal Moratorium Period : 3 years from the date of first reimbursement, no Interest Moratorium Repayment Period: 10Years (Including Moratorium Period) from date of first disbursement

Repayment: In 28 Quarterly Installments Starting from Q1 of 4th Year

Rate of Interest : 6% Per Annum

Security:

1. First charge on assets on the project,
 2. First charge on Cash flow of the Project,
 3. Charge on IP of the project till the loan is repaid
 4. Pledge of 51% of equity shares of the Project implementing company by Mr.Srikanth Kodali
- Additional Collateral: Personal Guarantee provided by both the promoters Mr.Srikanth Kodali and Mr.Radha Krishna Pinnamaneni

23.C Vehicle Loans from Banks:**Rate of Interest:**

1. HDFC Jaguer Vehicle Loan:@ 9.86% Per Annum
2. HDFC Porche vehicle Loan:@ 9.36% Per Annum
3. Canara bank Tavera Vehicle Loan: @ 10.20% Per Annum
4. Canara bank audi Car Loan: @ 8.90 % Per Annum
5. HDFC Volvo vehicle Loan:@ 8.85% Per Annum
6. HDFC TATA Sumo vehicle Loan:@ 9.25% Per Annum
7. Cholamandalam investment and Finance Co Ltd @ 11.50% Per Annum

Security:

Vehicles loans are secured by hypothecation of vehicles financed by respective banks.

Terms of Repayment:**1 HDFC Jaguer Vehicle Loan:@ 9.86% Per Annum**

This Loan is repayable in 60 monthly installments of ₹ 2,20,550/- each commencing from July, 2015
Status as on 31.03.2020 : Balance No. of Installments -3

2 HDFC Porche vehicle Loan:@ 9.36% Per Annum

This Loan is repayable in 60 monthly installments of ₹ 280,910/- each commencing from July, 2016
Status as on 31.03.2020 : Balance No. of Installments -15

3 Canara bank Tavera Vehicle Loan: @ 10.20% Per Annum

This Loan is repayable in 84 monthly installments of ₹ 15,034/- each commencing from Jan, 2016
Status as on 31.03.2020 : Balance No. of Installments - 32

4 Canara bank audi Car Loan: @ 8.90 % Per Annum

This Loan is repayable in 60 monthly installments of ₹ 1,63,608/- each commencing from September, 2017
Status as on 31.03.2020 : Balance No. of Installments -29

5 HDFC Volvo vehicle Loan:@ 8.85% Per Annum

This Loan is repayable in 60 monthly installments of ₹ 1,76,816/- each commencing from November, 2018
Status as on 31.03.2020 : Balance No. of Installments -43

6 HDFC TATA Sumo vehicle Loan:@ 9.25% Per Annum

This Loan is repayable in 36 monthly installments of ₹ 27,691/- each commencing from December, 2018
Status as on 31.03.2020 : Balance No. of Installments -20

7 Cholamandalam Investment and Finance Co Ltd

Rate of Interest : @ 11.50% Per Annum

Security : Secured Loan

Terms of Repayment :

This Loan is repayable in 24 monthly installments of ₹ 40,002/- each commencing from July, 2018
Status as on 31.03.2020 : Balance No. of Installments -3

D Unsecured Business Loans from Banks & Financial Institutions:

From Banks:

1 HDFC Bank Limited

Rate of Interest : @ 9.75% Per Annum

Security : WC TERM LOANS

Terms of Repayment :

This Loan is repayable in 84 monthly installments of ₹ 8,23,615/- each commencing from November, 2019
Status as on 31.03.2020 : Balance No. of Installments -79

2 Standard Chartered Bank Limited

Rate of Interest : @16.50% Per Annum

Security : Unsecured Loan

Terms of Repayment :

This Loan is repayable in 36 monthly installments of ₹ 88,511/- each commencing from August, 2017
Status as on 31.03.2020 : Balance No. of Installments -4

As per our report of even date
NSVR and Associates LLP
Chartered Accountants
Fr No.008801S/S200060

On Behalf of the Board
KAPSTON FACILITIES MANAGEMENT LIMITED

Sd/-
R. Srinivasu
Partner
M.No:224033

Sd/-
Srikanth Kodali
Managing Director
DIN:02464623

Sd/-
Kanti Kiran Doddapaneni
Director
DIN 07420023

Date: June 15,2020
Place: Hyderabad

Sd/-
Brendon Thomas Pereira
Chief Financial officer

Sd/-
Amreen Gulnaaz
Company Secretary
M.No ACS47889